

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1228 - SB 1064

March 26, 2017

SUMMARY OF BILL: Increases, from the first \$23,500 of the market value of the property to an amount equal to all local property back taxes paid for the tax year, the property tax relief for low-income property owners aged 65 and older that have incurred residential maintenance costs exceeding \$500.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$21,720,900

Assumptions:

- Under current law, pursuant to Tenn. Code Ann. § 67-5-702, property tax relief payments are paid to qualifying low-income elderly homeowners on the first \$23,500 of market value on the owner's principal residence.
- This legislation would pay the total property tax bill for any qualifying low-income elderly homeowner that incurred residential maintenance costs exceeding \$500.
- Based on information provided by the Comptroller of the Treasury, the amount of property tax relief for qualifying low-income elderly homeowners in FY15-16 was \$14,791,431 and the total tax amount relative to those claims was \$58,233,302.
- This analysis assumes 50 percent of eligible low-income elderly homeowners incur an annual residential maintenance cost exceeding \$500.
- The total recurring increase in state expenditures resulting from paying or reimbursing local property taxes of qualifying low-income property owners aged 65 and older that have incurred residential maintenance costs exceeding \$500 is estimated to be \$21,720,936 $[(\$58,233,302 - \$14,791,431) \times 50\%]$.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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